### State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham

Governor

Melanie A. Kenderdine

Cabinet Secretary

**Ben Shelton** 

Deputy Secretary

**Erin Taylor** 

Deputy Secretary

Albert Chang Division Director Oil Conservation Division



Deana M. Bennett deana.bennett@modrall.com

Administrative Order NSP – 2302

### ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

### Chevron U.S.A., Inc. [OGRID 4323]

MR 1 Federal Well No. 507H [API No. 30-025-PENDING]

MR 1 Federal Well No. 508H [API No. 30-025-PENDING]

MR 1 Federal Well No. 509H [API No. 30-025-PENDING]

MR 1 Federal Well No. 510H [API No. 30-025-PENDING]

J Keats 1 24 32 Well No. 40H [API No. 30-025-41582]

HSU: Section 1, T24S R32E, Lea County

Reference is made to your application received on May 28th, 2025.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

### **Proposed Increased Horizontal Spacing Unit:**

Description	Acres	Pool	Pool Code
Section 01	640	Triple X; Bone Spring, West	96674

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1) NMAC.

NSP - 2302 Chevron U.S.A., Inc. Page 2 of 2

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Lea County, New Mexico.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are to be being included.

You have requested this non-standard horizontal spacing unit to allow efficient development of acreage, to minimize surface disturbance by consolidating facilities, and to promote effective well spacing all while protecting the correlative rights within the Bone Spring formation. Therefore, preventing waste underlying all of Section 01 within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the non-standard spacing unit, the well(s) must be in the same horizontal spacing unit and pool/formation. The new well's APD shall reference this NSP order number on Form C-102 with an adjacent letter stating this request.

### **General Provisions**

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Albert C.S. Chang, PE

Albert Chang

Division Director

AC/lrl

Date: 7/25/2025

NICD		1	$\wedge$	
NSP	- 2	3	U	7

Revised March 23, 2017

ID NO.	468265
RECEIVED:	5 11 11 .

05/28/25

REVIEWER:

TYPE:

APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

### NEW MEXICO OIL CONSERVATION DIVISION



- Geological & Enginee	ering Bureau –
1220 South St. Francis Drive, S	anta Fe, NM 87505
ADMINISTRATIVE APPLIC	CATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE A REGULATIONS WHICH REQUIRE PROCESSING	
Applicant: Chrevron U.S.A. Inc.	OGRID Number: 4323
Well Name: MR 1 Federal Bone Spring Wells	API: Various
Pool: Triple X; Bone Spring, West	Pool Code: 96674
SUBMIT ACCURATE AND COMPLETE INFORMATION RE INDICATED	
1) <b>TYPE OF APPLICATION:</b> Check those which apply for A. Location – Spacing Unit – Simultaneous Dediction – NSL NSP (PROJECT AREA)	• •
B. Check one only for [1] or [11]  [1] Commingling – Storage – Measurement  DHC DCTB PLC PC  [11] Injection – Disposal – Pressure Increase –  WFX PMX SWD DIPI	□OLS □OLM Enhanced Oil Recovery □EOR □PPR
2) NOTIFICATION REQUIRED TO: Check those which a A. Offset operators or lease holders  B. Royalty, overriding royalty owners, revenue C. Application requires published notice  D. Notification and/or concurrent approval & E. Notification and/or concurrent approval & F. Surface owner	e owners  Application Content Complete
G. For all of the above, proof of notification of H. No notice required	
3) CERTIFICATION: I hereby certify that the informatio administrative approval is accurate and complete understand that no action will be taken on this ap notifications are submitted to the Division.	to the best of my knowledge. I also
Note: Statement must be completed by an individue	al with managerial and/or supervisory capacity.
	May 28, 2025
Deana M. Bennett	Date
Print or Type Name	
1	505-848-1834
Wenn 1/ Brut	Phone Number
MONTH NI 100 MONTH	deana.bennett@modrall.com
Signature	e-mail Address



L A W Y E R S

### VIA ELECTRONIC FILING

May 28, 2025

Acting Director Gerasimos Razatos *And*OCD Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Deana M. Bennett 505.848.1834 Deana.bennett@modrall.com

Re: Application of Chevron U.S.A. Inc. for administrative approval of a 640-acre, more or less, nonstandard spacing unit in the Bone Spring formation comprised of Section 1, Township 24 South, Range 32 East, Lea County.

Dear Acting Director Razatos /OCD Engineering Bureau:

Chevron U.S.A. Inc. ("Chevron"), OGRID number 4323, respectfully requests administrative approval of a 640-acre, more or less, non-standard unit ("NSU") in the Bone Spring formation comprised of Section 1, Township 24 South, Range 32 East, Lea County, New Mexico.

The wells proposed to be dedicated to this NSU (the "Wells") are:

Well Name	API Number
MR 1 Federal 507H	Pending
MR 1 Federal 508H	Pending
MR 1 Federal 509H	Pending
MR 1 Federal 510H	Pending

Chevron also requests that the following existing well<sup>1</sup> be included in the NSU approved order:

Well Name	API Number
J Keats 1 24 32 040H	30-025-41582

<sup>&</sup>lt;sup>1</sup> The existing well is currently dedicated to a 160-acre horizontal spacing unit, as depicted in Exhibit C-1. Chevron's goal is to combine the existing 160-acre horizontal spacing unit, along with the other tracts in Section 1 to form a single 640-acre horizontal spacing unit.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com Page 2

C-102s for each proposed Well is attached hereto as **Exhibit A**. The pool and pool code is the Triple X; Bone Spring, West (Code 96674), which follows the state wide rules. Each Well will comply with the statewide setback requirements for the non-standard spacing unit. The C-102s identify the dedicated acreage as 320-acres and Chevron will provide updated C-102s to reflect 640-acres if the NSU is approved.

Chevron is requesting this NSU for several reasons. First, approval of the NSU will allow for full and efficient development of this acreage and will minimize surface disturbance by allowing Chevron to consolidate facilities. Second, Chevron is requesting approval of the NSU to promote effective well spacing by removing the setback requirements from the center line and the quarter-quarter lines within Section 1. Third, approval of this administrative application would allow spacing for future infill wells, including future Bone Spring U-lateral wells.

A tract map is attached hereto as **Exhibit B**, which identifies the approximate Well locations. Also included in Exhibit B is a list of the Wells to be initially dedicated to this NSU.

**Exhibit C** is a letter from reservoir engineer explaining the need for a non-standard unit and the benefits associated with a non-standard, as opposed to a standard, unit. Exhibit C includes attachments that compare and contrast the standard versus non-standard unit scenario.

Chevron is providing notice to all affected parties in the tracts that adjoin the proposed non-standard spacing unit and to the Bureau of Land Management. Proof of mailing notice of the application (including a copy of the application) to affected persons entitled to notice is attached hereto as **Exhibit D**. Also included in Exhibit D is a map identifying the affected tracts and ownership for notice purposes.

Your attention to this matter is appreciated.

Sincerely,

Deana M. Bennett

Attorney for Chevron U.S.A. Inc.

C-102.dwg	
507H	
9	
1 FEDERAL I	
C102'S\MR	
\DWG\UPDA	
T:\2023\22371	
e	

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/					State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION			Revised July 9, 2024 Submit Electronically via OCD Permitting    Submittal			
								Type:	☐ Amended☐ As Drille		
					WELL LOCAT	TION INFORMATIO	N		1 = 1 1		
API No			Pool Code 96674	a in the	270	ool Name RIPLE X;BONE SPR	ING, WEST				
	ty Code		Property Na MR 1 FED	ERAL					Well Numb 507H	11 =	
OGRII 4323	O No.		Operator N CHEVRON		NC.				Ground Lev 3640'	el Elevation	
Surface	e Owner: 🗆	State ☐ Fee ☐	Tribal 🛭 F	ederal		Mineral Owner:	☐ State ☐ Fe	e 🗆 Tribal 🛭	⊠ Federal		
					Surfa	ce Location					
UL C	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 629' NORTH	Ft. from E/W 2572' WEST	Latitude 32.25221		ongitude 03.628540° W	County LEA	
	1					Hole Location					
UL M	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 1170' WEST	Latitude 32.23952		ongitude 03.633031° W	County LEA	
Dedicated Acres Infill or Defining Well Defining 320 DEFINING PEND					Well API G MR 1 FEDERA	Overlapping Spaci	rerlapping Spacing Unit (Y/N) Consolidation Code  No N/A				
Order 1	Numbers - P	ENDING		507H			Well setbacks are under Common Ownership: □Yes □No ⊠N/A				
					Kick O	ff Point (KOP)					
UL D	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 1170' WEST	Latitude 32.25365		ongitude 03.633080° W	County LEA	
						ake Point (FTP)					
UL D	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 1170' WEST	Latitude 32.25365		ongitude 03.633080° W	County LEA	
T. I.T.	T C + :	T1:	Damas	Lat	1	ke Point (LTP)	Lotitudo	Īт	an aitu da	County	
UL M	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 1170' WEST	22.23972		ongitude 03.633032° W	LEA	
Unitiz		rea of Uniform NDING	Interest	Spacing	Unit Type ⊠ Hor	izontal 🏻 Vertical	Gro 364	ound Floor El	levation:		
OPER	ATOR CER	TIFICATIONS				SURVEYOR CERTI	FICATIONS				
I hereb best of that this the land at this l unlease pooling If this v the con minera the wel	y certify that to my knowledge s organization d including the location pursu ed mineral inte t order heretof vell is a horizo sent of at leass l interest in ea	he information co and belief, and, either owns a w e proposed botton ant to a contract crest, or to a volu fore entered by th ontal well, I furth t one lessee or ov ich tract (in the to interval will be lo	ontained herein if the well is a v orking interest in hole location with an owner ntary pooling a e division. er certify that t. wher of a worki urget pool or fo	vertical or a or unleased or has a rig of a workin greement o his organiza ng interest o rmation) in	tirectional well, mineral interest in ght to drill this well g interest or r a compulsory  ation has received or unleased which any part of	I hereby certify that the actual surveys made by to the best of my belief.  See Sheet 2 of 2 for plat	well location so me or under m	thown on this p	and that the same	e is true and correct	
Signatu	ıre		Date			Signature and Seal of Pr	rofessional Sur	veyor			
Printed	Name					Certificate Number	Date of Su			XHIBIT	
Email	Address								tabbies	A	

### ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

See Sheet 1 of 2 for notes & certification.

### MR 1 FEDERAL NO. 507H WELL

X = 718,033.38' (NAD27 NM E) Y = 456,146.03' LAT. 32.252094° N (NAD27) LONG. 103.628059° W X = 759,217.15' (NAD83/2011 NM E) Y = 456,204.79LAT. 32.252216° N (NAD83/2011)

### PROPOSED FIRST TAKE POINT/KOP

LONG. 103.628540° W

X = 716,626.62' (NAD27 NM E) Y = 456,660.01'32.253532° N (NAD27) LONG. 103.632598° W X = 757,810.37' (NAD83/2011 NM E) Y = 456.718.79LAT. 32.253655° N (NAD83/2011) LONG. 103.633080° W

### PROPOSED LAST TAKE POINT

X = 716,674.17' (NAD27 NM E) Y = 451,594.04' LAT. 32.239606° N (NAD27) LONG. 103.632552° W X = 757,858.13' (NAD83/2011 NM E) Y = 451.652.71LAT. 32.239729° N (NAD83/2011) LONG. 103.633032° W

### PROPOSED BOTTOM **HOLE LOCATION**

X = 716,674.87' (NAD27 NM E)

Y = 451,519.05' LAT. 32.239400° N (NAD27) LONG. 103.632551° W X = 757,858.84' (NAD83/2011 NM E) Y = 451,577.71'LAT. 32.239522° N (NAD83/2011) LONG. 103.633031° W

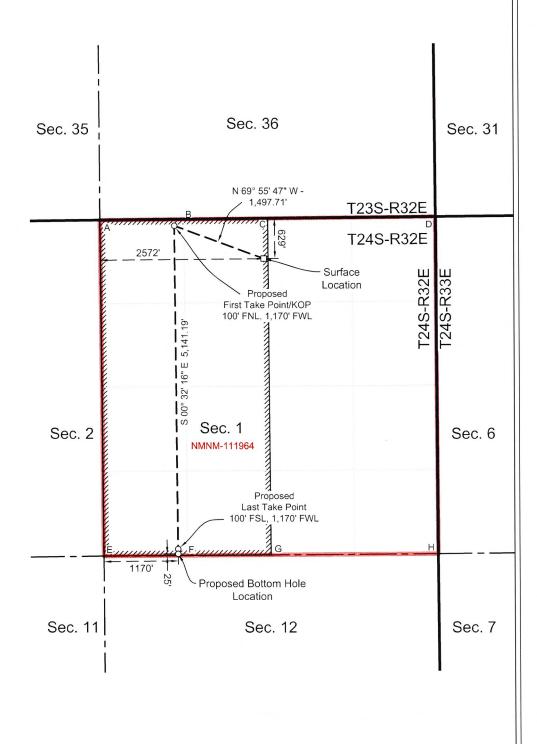
### **CORNER COORDINATES** TABLE (NAD 27) A - X= 715455.75,Y= 456747.36

B - X= 716776.82,Y= 456761.64 C - X= 718097.88,Y= 456775.92 D - X= 720739.66, Y= 456805.61 E - X= 715505.20,Y= 451485.43

F - X= 716821.47,Y= 451495.15

G - X= 718137.74,Y= 451504.88

H - X= 720770.23,Y= 451524.37



6
dwg
05
5
Hg.
508
ò
7
ER/
E
Ψ.
NR.
12.8/1
102
0
H
ď
100
Š
3/2
711
223
23/
120

Santa Fe Main Office Phone: (505) 476-3441 Fax General Information Phone: (505) 629-6116 Online Phone Directory Vi https://www.emnrd.nm.gov	sit:		State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION			C-102  Revised July 9, 2024 Submit Electronically via OCD Permitting			
						Type:	☐ As Drille	•	
			WELL LOCAT	TION INFORMATIO	N				
API Number PENDING	Pool Code 96674			ool Name RIPLE X;BONE SPRI	NG WEST				
Property Code PENDING	Property N MR 1 FED			KII EE A,BONE SI KI	NO, WEST		Well Numb 508H	er	
OGRID No. 4323	Operator N CHEVRON		NC	=	pi =-		Ground Lev	el Elevation	
Surface Owner:  State [			10.	Mineral Owner:	State □ Fe	e 🗆 Tribal !			
			- II						
UL Section Tow	nship Range	Lot	Surfa Ft. from N/S	Ft. from E/W	Latitude	Ιτ	ongitude	County	
	OUTH 32 EAST, N.M.P.M.	N/A	629' NORTH	2592' WEST	32.25221		03.628476° W	LEA	
III Cartian Ton	Dance	Ι		Hole Location	Traini	1,	`- 1	Communication	
	nship Range OUTH 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 2310' WEST	Latitude 32.23952		ongitude 03.629344° W	County LEA	
Dedicated Acres Infil 320 INFI	l or Defining Well	Defining PENDIN	Well API G MR 1 FEDERA	Overlapping Spacing Unit (Y/N) Consolidation Code					
Order Numbers - PENDIN		507H		No N/A  Well setbacks are under Common Ownership: □Yes □No ⊠N/A					
Order (validers   1 EVD)	10			Well setodeks are t	inder Commit	on ownershi	р. 🗆 тез 🗆 по	2317/11	
				ff Point (KOP)	Tr.: 1	1,			
	rnship Range SOUTH 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 2310' WEST	Latitude 32.25366		Longitude 03.629392° W	County LEA	
				ike Point (FTP)	1	1-			
	rnship Range SOUTH 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 2310' WEST	Latitude 32.25366		Longitude 03.629392° W	County LEA	
			Last Ta	ke Point (LTP)					
	vnship Range SOUTH 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 2310' WEST	Latitude 32.23973		Longitude 03.629345° W	County LEA	
Unitized Area or Area of PENDING		Spacing	Unit Type ⊠ Hor	izontal 🏻 Vertical	Gro 364	ound Floor E 0'	levation:		
OPERATOR CERTIFICA	ATIONS			SURVEYOR CERTI	FICATIONS				
I hereby certify that the inforbest of my knowledge and be that this organization either at the land including the proposat this location pursuant to a unleased mineral interest, or pooling order heretofore enter this well is a horizontal we the consent of at least one les mineral interest in each tractite well's completed interval order from the division.	mation contained herein lief, and, if the well is a owns a working interest seed bottom hole location contract with an owner to a voluntary pooling cered by the division.  the light of the division working that it is see or owner of a working to the target pool or for the seed on the target pool or for the seed or the target pool or for the working the seed or the target pool or for the target pool or target pool or the target pool or the target pool or the target pool or target pool or the target pool or the target pool or target pool or the target pool or targe	vertical or d or unleased or has a rig of a working agreement of his organiza ing interest of ormation) in	lirectional well, mineral interest in the to drill this well g interest or r a compulsory  ution has received or unleased which any part of	I hereby certify that the vactual surveys made by to the best of my belief.  See Sheet 2 of 2 for plat.	well location sine or under m	hown on this position L. LAS  MEX  23006	and that the same	e is true and correct	
Signature	Date			Signature and Seal of Pr	ofessional Surv 04/11/	veyor			
Printed Name				Certificate Number	Date of Su				
Email Address									

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

See Sheet 1 of 2 for notes & certification.



X = 718,053.38' (NAD27 NM E)

Y = 456.146.14

LAT. 32.252094° N (NAD27)

LONG. 103.627994° W

X = 759,237.15' (NAD83/2011 NM E)

Y = 456,204.90'

LAT. 32.252216° N (NAD83/2011)

LONG. 103.628476° W

### PROPOSED FIRST TAKE POINT/KOP

X = 717,766.57' (NAD27 NM E)

Y = 456,672.33'

LAT. 32.253545° N (NAD27)

LONG. 103.628911° W

X = 758,950.33' (NAD83/2011 NM E)

Y = 456,731.10'

LAT. 32.253668° N (NAD83/2011)

LONG. 103.629392° W

### PROPOSED LAST TAKE POINT

X = 717,814.22' (NAD27 NM E)

Y = 451,602.49'

LAT. 32.239609° N (NAD27)

LONG. 103.628864° W

X = 758,998.18' (NAD83/2011 NM E)

Y = 451,661.15'

LAT. 32.239731° N (NAD83/2011)

LONG. 103.629345° W

### PROPOSED BOTTOM **HOLE LOCATION**

X = 717,814.91' (NAD27 NM E)

Y = 451,527.49

LAT. 32.239402° N (NAD27)

LONG. 103.628864° W

X = 758,998.88' (NAD83/2011 NM E)

Y = 451,586.15

LAT. 32.239525° N (NAD83/2011)

LONG. 103.629344° W

### **CORNER COORDINATES**

TABLE (NAD 27) A - X= 715455.75,Y= 456747.36

B - X= 716776.82,Y= 456761.64

C - X= 718097.88,Y= 456775.92

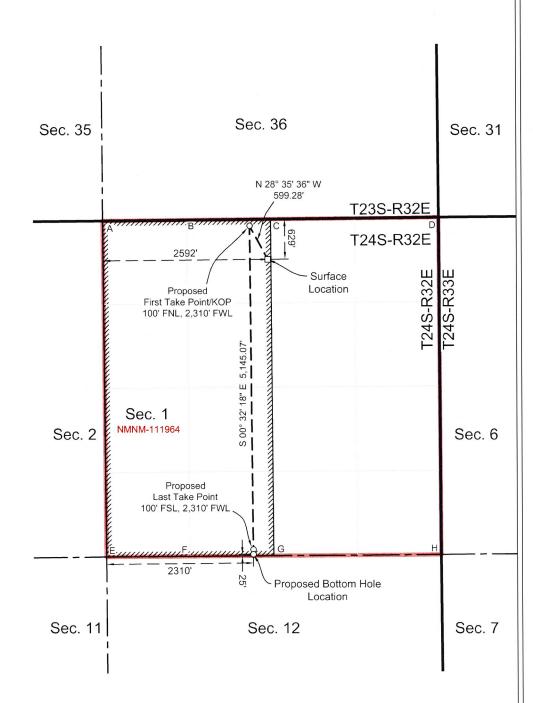
D - X= 720739.66,Y= 456805.61

E - X= 715505.20,Y= 451485.43

F - X= 716821.47,Y= 451495.15

G - X= 718137.74,Y= 451504.88

H - X= 720770.23,Y= 451524.37



	27: 000							T			
Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116					Energy, Min	e of New Mexico erals & Natural R Department	C-102  Revised July 9, 2024  Submit Electronically				
Onlina	Phone Direc	tom Visit:			OIL CONS	ERVATION DI		via OCD Permitting			
		nm.gov/ocd/co	ntact-us/					Submittal		ıbmittal	
								Type:	☐ Amende	d Report	
									☐ As Drille	ed	
					WELL LOCA	TION INFORMATION	ON				
API N PEND	umber		Pool Code 96674			Pool Name FRIPLE X;BONE SPF	RING WEST				
	ty Code		Property N MR 1 FED	ame ERAL		1141 22 11,2 01.2 01.	41.0, 1.201		Well Numb 509H	er	
OGRI	D No.		Operator N CHEVRON		NC				Ground Lev 3640'	el Elevation	
4323 Surfac	e Owner: 🗆	State  Fee	terretista a approvisor		VC.	Mineral Owner:	□ State □ Fe	e □ Tribal			
Surfac	e Owner.	State - Tee -	111041 23 1	cuciai		Willicial Owner.		ie 🗆 Tribui	24 Tederar		
×		_			Surf	ace Location					
UL C	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 629' NORTH	Ft. from E/W 2612' WEST	Latitude 32.25209		Longitude 03.627930° W	County LEA	
					Bottom	Hole Location					
UL O	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 1590' EAST	Latitude 32.23940		Longitude 03.624448° W	County LEA	
Dedica 320	ated Acres	Infill or Defi DEFINING	ining Well		Well API G MR 1 FEDERA	Overlapping Spacing Unit (Y/N) Consolidation Code No N/A					
Order	Numbers - F	ENDING		120311		Well setbacks are	under Comme	on Ownersh	ip: □Yes □No	⊠N/A	
		Α			Viala O	off D.:-4 (VOD)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	l I	Longitude	County	
В	1	24 SOUTH	32 EAST, N.M.P.M.	N/A	100' NORTH	1590' EAST	32.25356		.03.624435° W	LEA	
	Τ	Ι	L	I r		ake Point (FTP)	T -4'4-1-	I,		C	
UL B	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' NORTH	Ft. from E/W 1590' EAST	Latitude 32.25356		Longitude 03.624435° W	County LEA	
	_	_				ake Point (LTP)					
UL O	Section 1	Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 1590' EAST	22.23961		Longitude 103.624448° W	County LEA	
Unitiz		Area of Uniform	n Interest	Spacing	Unit Type ⊠ Ho	rizontal 🗆 Vertical	Grc 364	ound Floor E .0'	Elevation:		
OPER	A TOP CEP	TIELG ( TION II	,			CUDVENOD CEDT	TIFICATIONS				
OPER	RATOR CER	TIFICATIONS	5			SURVEYOR CERT	TFICATIONS				
best of that the the land at this unleas pooling If this the con minera the we	my knowledge is organization and including the location pursused ed mineral integeration g order heretoge well is a horizansent of at leas al interest in ec	e proposed botton ant to a contract erest, or to a volu fore entered by th ontal well, I furth at one lessee or or ach tract (in the te interval will be le	if the well is a orking interest m hole location with an owner untary pooling are division.  er certify that the working of a working of a working of a working the color of or for the or the working of a working o	vertical or a or unleased or has a rig of a workin agreement o his organiza ing interest o ormation) in	lirectional well, mineral interest in ght to drill this well g interest or r a compulsory ution has received or unleased which any part of	I hereby certify that the actual surveys made by to the best of my belief.  See Sheet 2 of 2 for pla	y me or under m	L. LA MEX 23006	and that the same	e is true and correct	
Signat	ure		Date			Signature and Seal of I	Professional Sur	veyor P			
G											
Printee	d Name				<u> </u>	Certificate Number	04/11/ Date of So				
Email	Address					1	5-11				

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

Sec. 1

NMNM-111964

Sec. 11

See Sheet 1 of 2 for notes & certification.



X = 718,073.38' (NAD27 NM E)

Y = 456,146.25

LAT. 32.252094° N (NAD27)

LONG. 103.627930° W

X = 759,257.15' (NAD83/2011 NM E) Y = 456,205.00°

LAT. 32.252216° N (NAD83/2011)

LONG. 103.628411° W

### PROPOSED FIRST TAKE POINT/KOP

X = 719,150.31' (NAD27 NM E)

Y = 456.687.74

LAT. 32.253563° N (NAD27)

LONG. 103.624435° W

X = 760,334.08' (NAD83/2011 NM E)

Y = 456,746.50'

LAT. 32.253685° N (NAD83/2011)

LONG. 103.624916° W

### PROPOSED LAST TAKE POINT

X = 719,179.69' (NAD27 NM E)

Y = 451.612.59

LAT. 32.239612° N (NAD27)

LONG. 103.624448° W

X = 760,363.67' (NAD83/2011 NM E)

Y = 451,671.24'

LAT. 32.239734° N (NAD83/2011)

LONG. 103.624929° W

### PROPOSED BOTTOM **HOLE LOCATION**

X = 719,180.13' (NAD27 NM E)

Y = 451,537.60°

LAT. 32.239405° N (NAD27)

LONG. 103.624448° W

X = 760,364.10' (NAD83/2011 NM E)

Y = 451,596.24'

LAT. 32.239528° N (NAD83/2011)

LONG. 103.624929° W

### **CORNER COORDINATES** TABLE (NAD 27)

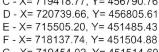
A - X= 715455.75, Y= 456747.36

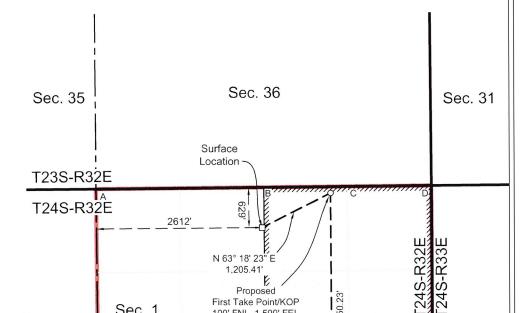
B - X= 718097.88, Y= 456775.92

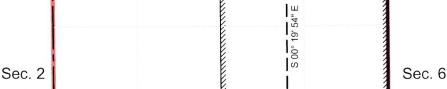
C - X= 719418.77, Y= 456790.76

G - X= 719454.02, Y= 451514.60

H - X= 720770.29, Y= 451524.33







First Take Point/KOP

100' FNL, 1,590' FEL

Proposed Last Take Point 100' FSL, 1,590' FEL

Proposed Bottom Hole Location

Sec. 12

Sec. 7

1590'

25

General Informa Phone: (505) 62 Online Phone D	6-3441 Fax: (55) 4 ation 9-6116			State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION			C-102  Revised July 9, 2024  Submit Electronically via OCD Permitting			
						☐ As Drille	d			
		_			TION INFORMATIO	N				
API Number PENDING		Pool Code 96674			Pool Name TRIPLE X;BONE SPRI	ING, WEST				
Property Code Property Name PENDING MR 1 FEDERAL								Well Numb 510H		
OGRID No. 4323		Operator N CHEVRON		NC				Ground Lev 3640'	el Elevation	
	:  State  Fee				Mineral Owner:	☐ State ☐ Fe	e 🗆 Tribal 🛭	▼ Federal		
				S6	ace Location					
UL Section 1	on Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 629' NORTH	Ft. from E/W 2632' WEST	Latitude 32.25221		ongitude 03.628346° W	County LEA	
		11.17.11		Botton	n Hole Location					
UL Section 1	on Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 25' SOUTH	Ft. from E/W 330' EAST	Latitude 32.23953		ongitude 03.620854° W	County LEA	
Dedicated Acr	es Infill or Def	ining Well	PENDIN	Well API G MR 1 FEDER <i>A</i>	Overlapping Spacin	ng Unit (Y/N	() Consolidati	ion Code N/A		
Order Number	s - PENDING		509H		Well setbacks are under Common Ownership: □Yes □No ⊠N/A					
				Vial. C	Off Point (KOP)					
UL Secti	on Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	L	ongitude	County	
A 1	24 SOUTH	32 EAST, N.M.P.M.	N/A	100' NORTH	330' EAST	32.25370	01° N   10	03.620840° W	LEA	
UL Secti	on Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	ı	ongitude	County	
A 1	24 SOUTH		N/A	100' NORTH	330' EAST	32.25370		03.620840° W	LEA	
	T. 1:	T p	T.,		ake Point (LTP)	T 1	- Ir		County	
P 1	on Township 24 SOUTH	Range 32 EAST, N.M.P.M.	Lot N/A	Ft. from N/S 100' SOUTH	Ft. from E/W 330' EAST	Latitude 32.23973	20 C C C C C C C C C C C C C C C C C C C	ongitude 03.620853° W	LEA	
Unitized Area	or Area of Uniform PENDING	n Interest	Spacing	Unit Type 🛭 Ho	orizontal   Ground Floor Elevation: 3640'					
OPERATOR	SERTIFICATION	3			CURVEYOR CERTI	FICATIONS				
	CERTIFICATIONS				SURVEYOR CERTI					
best of my know that this organiz the land includi at this location p unleased minerc pooling order he If this well is a h the consent of a mineral interest	that the information cledge and belief, and, attion either owns a way the proposed botto pursuant to a contract linterest, or to a voluretofore entered by the transcript well, I furthe least one lessee or o in each tract (in the tet dinterval will be livision.	if the well is a corking interest m hole location t with an owner untary pooling of the division.  The certify that it will a work target pool or for the cortify that it will arget pool or for the corking the cortify that it will arget pool or for the corking the cortify that it will arget pool or for the cortify that it will arget pool or for the cortify the cortification of the cort	vertical or or unleased or has a rig of a workin agreement of this organizating interest ormation) in	lirectional well, mineral interest in ght to drill this well g interest or r a compulsory  ution has received or unleased which any part of	I hereby certify that the actual surveys made by to the best of my belief.  See Sheet 2 of 2 for plat.	me or under m	L. LAS  MEX  23006	and that the same	e is true and correct	
Signature		Date			Signature and Seal of Pr	ofessional Sur	veyor			
Printed Name					Certificate Number	Date of So				
Email Address						1				

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

See Sheet 1 of 2 for notes & certification.



X = 718,093.37' (NAD27 NM E) Y = 456,146.35' LAT. 32.252094° N (NAD27)

LONG. 103.627865° W X = 759,277.15' (NAD83/2011 NM E)

Y = 456,205.11'

LAT. 32.252216° N (NAD83/2011)

LONG. 103.628346° W

### PROPOSED FIRST TAKE POINT/KOP

X = 720,410.25' (NAD27 NM E)

Y = 456,701.90'

LAT. 32.253579° N (NAD27)

LONG. 103.620359° W X = 761,594.03' (NAD83/2011 NM E)

Y = 456,760.65

LAT. 32.253701° N (NAD83/2011)

LONG. 103.620840° W

### PROPOSED LAST TAKE POINT

X = 720,439.66' (NAD27 NM E)

Y = 451,621.92'

LAT. 32.239614° N (NAD27)

LONG. 103.620373° W

X = 761,623.64' (NAD83/2011 NM E)

Y = 451,680.56'

LAT. 32.239737° N (NAD83/2011)

LONG. 103.620853° W

### PROPOSED BOTTOM HOLE LOCATION

X = 720,440.09' (NAD27 NM E)

Y = 451,546.93'

LAT. 32.239408° N (NAD27)

LONG. 103.620373° W

X = 761,624.08' (NAD83/2011 NM E)

Y = 451,605.56

LAT. 32.239531° N (NAD83/2011)

LONG. 103.620854° W

### CORNER COORDINATES TABLE (NAD 27)

A - X= 715455.75, Y= 456747.36

B - X= 718097.88, Y= 456775.92

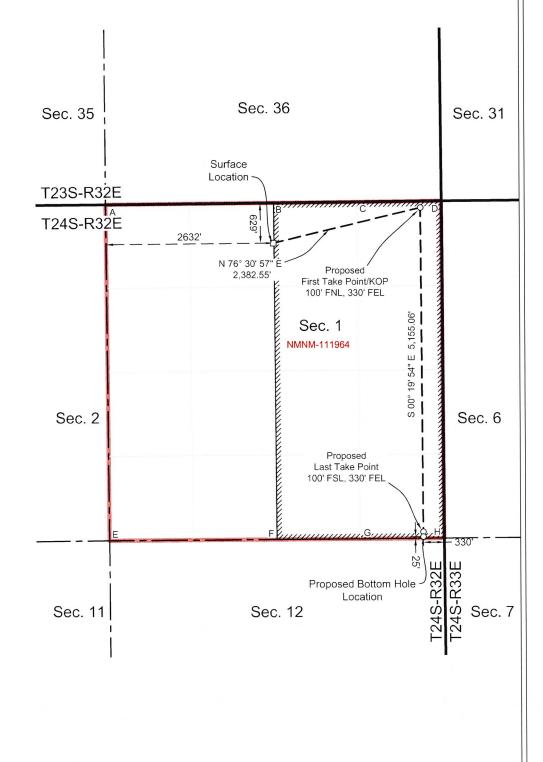
C - X= 719418.77, Y= 456790.76 D - X= 720739.66, Y= 456805.61

E - X= 715505.20, Y= 451485.43

F - X= 718137.74, Y= 451504.88

G - X= 719454.02, Y= 451514.60

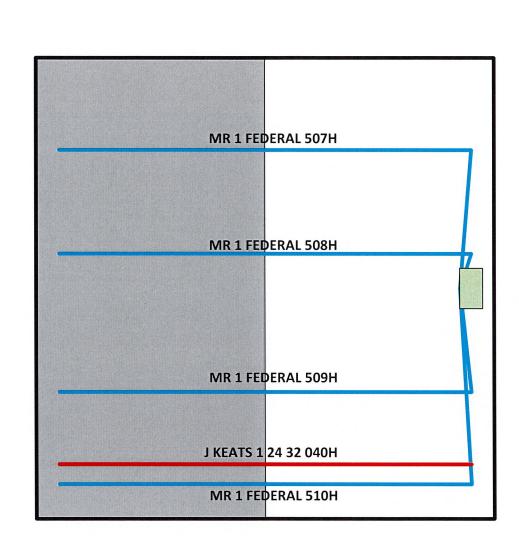
H - X= 720770.29, Y= 451524.33



## = Standard BONE SPRING HSUs J KEATS 1 24 32 040H SECTION 1, TOWNSHIP 24 SOUTH - RANGE 32 EAST Standard v. Non-Standard Comparison **= EXISTING BONE SPRING HSU** LEA COUNTY, NEW MEXICO MR 1 FEDERAL 507H MR 1 FEDERAL 508H MR 1 FEDERAL 509H MR 1 FEDERAL 510H = NSP (PROPOSED HSU) **EXHIBIT**

**= EXISTING BONE SPRING WELLS** 





= FUTURE BONE SPRING WELLS

### MR 1 Federal Well List with Pool Code

Triple X; Bone Spring, West (Code 96674)

Well Name	API Number
New Wells: MR 1 Federal 507H MR 1 Federal 508H MR 1 Federal 509H MR 1 Federal 510H	Pending Pending Pending Pending
Existing Wells to Be Included with NSU: J Keats 1 24 32 040H	30-025-41582



### **Ryan Burke**Petroleum Engineer, MCBU Asset Development

May 1, 2025

### **VIA E-FILING**

Acting Director Gerasimos Razatos *And*OCD Engineering Bureau
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Chevron U.S.A. Inc. for administrative approval of a 640-acre, more or less, nonstandard spacing unit in the Bone Spring formation comprised of Section 1, Township 24 South, Range 32 East, Lea County.

Dear Acting Director Razatos /OCD Engineering Bureau:

Chevron U.S.A. Inc. ("Chevron"), OGRID number 4323, respectfully requests administrative approval of a 640-acre, more or less, Bone Spring non-standard unit ("NSU") comprised of Section 1, Township 24 South, Range 32 East, Lea County, New Mexico.

The wells (the "Wells") proposed to be dedicated to this NSU are:

Well Name	<u>API N</u>	umber
MR 1 Federal	507H	Pending
MR 1 Federal	508H	Pending
MR 1 Federal	509H	Pending
MR 1 Federal	510H	Pending

Chevron also requests that the following existing well be included in the NSU approval:

### Well Name API Number

J Keats 1 24 32 040H

30-025-41582

The Wells will be completed within the Triple X; Bone Spring, West (Code 96674). This pool follows the statewide spacing rules.

Midcontinent Business Unit
Chevron North America Exploration and Production Company
a division of Chevron U.S.A. Inc.
1400 Smith Street, Houston, TX 77002
Tel 281-615-7074
ryan.burke@chevron.com



In this NSU application, Chevron seeks approval of a single 640-acre unit. Without the NSU approval, Chevron would have multiple spacing units, as shown on Exhibit C-1, because the existing well is currently dedicated to a 160-acre horizontal spacing unit. Chevron's goal is to combine the existing 160-acre horizontal spacing unit, along with the other tracts in Section 1 to form a single 640-acre horizontal spacing unit.

Chevron has determined that a single 640-acre unit is preferable to multiple units for the following reasons. First, approval of the NSU will allow for full and efficient development of this acreage and will minimize surface disturbance by allowing Chevron to consolidate facilities. Second, Chevron is requesting approval of a Bone Spring NSU to promote effective well spacing by removing the setback requirements from the center line and the quarter-quarter lines within Section 1. Third, approval of this administrative application would allow spacing for future infill wells, including future Bone Spring U-lateral wells.

Conversely, if Chevron's NSU application is not approved, Chevron will need to construct additional pipelines, roads, and facilities. Exhibit C-2 compares and contrasts, in table format, the reduced surface acreage and the cost savings that will occur if the NSU is approved. Developing the acreage as a single, non-standard unit will result in 3-acres less surface disturbance that is Chevron has to develop using standard units. If Chevron's application is approved, total capital costs would be significantly reduced by \$6.075 MM because no additional infrastructure would be required to operate the single non-standard unit.

It is my opinion that approval of the NSU is in the best interest of conservation, prevention of waste, and protection of correlative rights.

Thank you for your consideration. Should you have any questions please contact me at Ryan.Burke@chevron.com or 281-615-7074.

Sincerely,

Ryan Burke

Reservoir Engineer Chevron U.S.A. Inc.

Midcontinent Business Unit
Chevron North America Exploration and Production Company
a division of Chevron U.S.A. Inc.
1400 Smith Street, Houston, TX 77002
Tel 281-615-7074
ryan.burke@chevron.com

Scenario	Design Basis Per CTB (BOPD)	Total Capital CTB/Equipment Cost (\$M)	Additional CTB and Pipeline Disturbance (Acres)
Standard Spacing Unit	24,000	\$21,325	က
Non-Standard Spacing Unit	16,000	\$15,250	0
Savings		\$6,075	e

Approval of a non-standard unit will allow consolidation of all production into a single facility and will eliminate the needs to build an additional central tank battery and flowlines. Elimination of the additional central tank battery effectively cuts permitted fugitive VOC emissions, spill risks, and flares in half

Deana M. Bennett

Deana.bennett@modrall.com

505.848.1834



May 28, 2025

### TO AFFECTED PARTIES

Re: Application of Chevron U.S.A. Inc. for administrative approval of a 640-acre, more or less, nonstandard spacing unit in the Bone Spring formation comprised of Section 1, Township 24 South, Range 32 East, Lea County.

Dear Sir or Madam:

Enclosed is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to this application must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above referenced application. If no objection is received within this twenty-day period, the application may be approved administratively by the Division.

If you have any questions concerning this application, please contact:

Ryan Burke Reservoir Engineer Chevron U.S.A Inc. Ryan.Burke@chevron.com Tel: 281-615-7074

Sincerely,

Deana M. Bennett

Attorney for Chevron U.S.A. Inc.

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com



= PROPOSED NSP	G S P	Operators: Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 79706 (100% Working Interest Owner) Conoco Phillips 600 W. Illinois Ave Midland, Texas 79701	Operators:  Coterra Energy  6001 Deauville Blvd., Ste N3.047  Midland, Texas 79706  Conoco Phillips  600 W. Illinois Ave  Midland, Texas 79701	Operators: <b>XTO Energy, Inc.</b> 6401 Holiday Hill Road Midland, Texas 79707	
	T23S-R32E	35	36		31
Working Interest Owners: Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 79706	T24S-R32E	Operator: Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 79706 (100% Working Interest Owner)	Operator: <b>Chevron U.S.A. Inc.</b> 1400 Smith Street  Houston, Texas 79706	Operators:  Coterra Energy  6001 Deauville Blvd., Ste N3.047 Midland, Texas 79706  Conoco Phillips  600 W. Illinois Ave Midland, Texas 79701	047
Highland (Texas) Energy Company 11886 Greensville Ave, Suite 106 Dallas, Texas 75243		2	1		9
Shepherd Royalty, LLC 8241 Westchester Dr., Suite 740 Dallas, Texas 75225 Allar Development, LLC PO Box 1567 Graham, Texas 76450		Operator: <b>Coterra Energy</b> 6001 Deauville Blvd., Ste N3.047 Midland, Texas 79706	Operators:  Coterra Energy 6001 Deauville Blvd., Ste N3.047 Midland, Texas 79706  Conoco Phillips 600 W. Illinois Ave Midland, Texas 79701	Operators: <b>Conoco Phillips</b> 600 W. Illinois Ave Midland, Texas 79701	
		11	. 12		7

# SECTION 1, TOWNSHIP 24 SOUTH - RANGE 32 EAST LEA COUNTY, NEW MEXICO

## **TRACT 1**

MINERALS: UNITED STATES OF AMERICA LEASE: NMNM 111964 SURFACE: UNITED STATES OF AMERICA

Received by OCD:	5/28/	2025 2:23	3:46 P	И					1
Firm Mailing Book ID: 289594	Reference Contents	83420.0050CO3 34. Notice	83420.0050CO3 34. Notice	83420.0050CO3 34. Notice	83420.0050CO3 34. Notice	83420.0050CO3 34. Notice	83420.0050CO3 34. Notice	83420.0050CO3 34. Notice	
Firm Mailir	Rest.Del.Fee	80.00	\$0.00	\$0.00	\$0.00	80.00	\$0.00	\$0.00	\$0.00 \$72.38
	RR Fee	\$2.62	\$2.62	\$2.62	\$2.62	\$2.62	\$2.62	\$2.62	\$18.34 Total:
	Service Fee	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$4.85	\$33.95 \$18.3 Grand Total:
PS Form 3877 Type of Mailing: CERTIFIED MAIL 05/28/2025	Postage	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	Totals: \$20.09
Type	Name, Street, City, State, Zip	United States of America Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	Conoco Phillips 600 W. Illinois Ave. Midland TX 79701	Coterra Energy 6001 Deauville Blvd., Ste N3.047 Midland TX 79706	XTO Energy Inc. 6401 Holiday Hill Rd Midland TX 79707	Highland (Texas) Energy Company 11886 Greensville Ave., Suite 106 Dallas TX 75243	Shepherd Royalty, LLC 8241 Westchester Dr., Suite 740 Dallas TX 75225	Allar Development, LLC PO Box 1567 Graham TX 76450	
Andread Schuman Andreis & Sisk P.A. Storeth Street, Suite 1000 Andread Warner W	USPS Article Number	9314 8699 0430 0135 6210 82	9314 8699 0430 0135 6210 99	9314 8699 0430 0135 6211 05	9314 8699 0430 0135 6211 12	9314 8699 0430 0135 6211 29	9314 8699 0430 0135 6211 36	9314 8699 0430 0135 6211 43	
Parlene Schuman Godrall Sperling Mybuquerque NM	ng: 7/	<del>-</del> 30/2025 1	cv !1:31:4	ဗ <i>4 AM</i>	4	S	9	7	

Postmaster: Name of receiving employee Total Number of Pieces Received at Post Office List Number of Pieces Listed by Sender

Dated:

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

## State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 468265

### **CONDITIONS**

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	468265
	Action Type:
	[UF-NSP] Non-Standard Proration (NSP)

### CONDITIONS

Created By	Condition	Condition Date
llowe	This NSP order was approved with pending API wells. The owner of the NSP shall update the OCD when API number(s) are assigned to those pending APD well(s) by sending an e-mail to ocd.engineer@emnrd.nm.gov. TITLED: (Updating NSP-XXX with API number(s) and associated Well Name).	7/30/2025